

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

BASIC FINANCIAL STATEMENTS
June 30, 2022

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**SCHOOL DISTRICT OFFICIALS
June 30, 2022**

BOARD OF EDUCATION

President	Barrett Shupe
Vice-President	Brina Tate
Member	Shawn Hubble
Member	Dena Floyd
Member	Trudy Evans

CLERK OF BOARD OF EDUCATION

Trudy Evans

SCHOOL DISTRICT TREASURER

Danielle Allen

SUPERINTENDENT OF SCHOOLS

Dr. Melissa Amon

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

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Payne County, Oklahoma**

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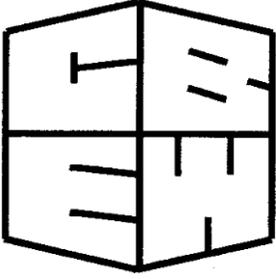
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CBEW Professional Group, LLP

Certified Public Accountants

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Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

INDEPENDENT AUDITOR'S REPORT

August 25, 2022

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne County, Oklahoma

Opinions

We have audited the accompanying basic financial statements—regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma (District), as of and for the year ended June 30, 2022 and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position—regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma, as of June 30, 2022, and the respective changes in financial position—regulatory basis for the year then ended on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cushing School District Number I-67, Cushing, Payne County, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the Cushing School District Number I-67, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cushing School District Number I-67, Payne County, Oklahoma 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cushing School District Number I-67, Payne County, Oklahoma 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statements—regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements—regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole arising from regulatory basis transactions.

Management's discussion and analysis and budgetary comparison information and notes presented are the responsibility of management and, although not a part of the basic financial statements – regulatory basis, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements – regulatory basis in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements – regulatory basis, and other knowledge we obtained during our audit of the basic financial statements – regulatory basis. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP

Certified Public Accountants

Cushing Public Schools

DR. MELISSA AMON, SUPERINTENDENT
1401 NORTH LITTLE
CUSHING, OKLAHOMA 74023

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

As management of the Cushing School District Number I-67 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

The total net position of the District increased \$2,889,866 or (4.52%) over the fiscal year.

General revenues accounted for \$19,866,369 or 85.49% of total governmental activities revenue. Program specific revenues accounted for \$3,370,833 or 14.51% of total governmental activities revenue.

Governmental activities capital assets increased by a net of \$1,178,508, primarily due to high school improvements, baseball concession stand, roof and air conditioning project at fieldhouse and depreciation.

The District had \$20,347,336 in expenses related to governmental activities; \$3,370,833 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by property tax levies, state and county sources, and other miscellaneous sources.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found on pages 9–10 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government’s near-term financing decision. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Building, Sinking and Building Bond funds, all of which are considered to be major funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General, Special Revenue (Building, CO-OP and Child Nutrition Funds) and Debt Service Funds. Budgetary comparison schedules have been provided for the major funds to demonstrate compliance with the budget and are presented as required supplemental information.

The basic governmental fund financial statements can be found on pages 11–14 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are not available to support the District’s own programs.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on pages 15-16 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 17–30 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain information required by the Oklahoma State Department of Education concerning the District’s budgetary comparisons and notes. Required supplementary information can be found on pages 31–35 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 36-37 of this report.

Governmental-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets (excluding accumulated depreciation) exceed liabilities by \$66,824,902 as of June 30, 2022.

The largest portion of the District's net position (56.99%) reflects its investments in capital assets (e.g., land, buildings and improvements, furniture, fixtures and equipment, and vehicles), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide service to students; consequently these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

District's Net position

	<u>Governmental Activities</u>	
	<u>6/30/22</u>	<u>6/30/21</u>
Current and other assets	\$ 31,156,469	\$ 26,949,616
Capital assets	55,252,615	54,074,107
Total assets	<u>86,409,084</u>	<u>81,023,723</u>
Long-term liabilities	17,170,000	15,024,514
Other liabilities	2,414,182	2,064,173
Total liabilities	<u>19,584,182</u>	<u>17,088,687</u>
Net position:		
Invested in capital assets, net of related debt	38,082,615	39,049,593
Restricted	27,806,446	23,196,908
Unrestricted	935,841	1,688,535
Total net position	<u>\$ 66,824,902</u>	<u>\$ 63,935,036</u>

An additional portion of the District's net position (41.61%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$935,841 may be used to meet the government's ongoing obligation to citizens and creditors.

As of June 30, 2022, the District is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of the District's Operations – The following table provides a summary of the District's operations for the year ended June 30, 2022 with comparative totals for the year ended June 30, 2021. Governmental activities increased the District's total net position by \$2,889,866.

District's Changes in Net position

	Governmental Activities	
	6/30/22	6/30/21
Revenues:		
Program revenues		
Charges for services	\$ 10,485	\$ 25,338
Operating grants and contributions	3,360,348	2,800,831
General revenues:		
Property taxes	16,064,875	16,517,549
State and county aid not restricted to specific programs	3,499,156	3,478,258
Earnings on investments	54,807	22,706
Rental activities	67,181	66,551
Insurance proceeds	-	15,000,000
Miscellaneous	156,148	48,483
Special items:		
Gain/(loss) on sale of assets	-	(2,784,404)
Adjustment to prior year encumbrances	24,202	2,396
Total revenues	<u>23,237,202</u>	<u>35,177,708</u>
Expenses:		
Instructional services	10,265,195	10,012,308
Support services	7,717,715	6,770,880
Non-instructional services	19,873	14,552
Capital repairs	344,760	50,872
Repayments	70,034	6,495
Food service	932,916	751,362
Interest and fiscal agent charges	123,770	1,017,695
Unallocated depreciation	873,073	862,311
Total expenses	<u>20,347,336</u>	<u>19,486,475</u>
Increase in net position	2,889,866	15,691,233
Net position - beginning of year	63,935,036	48,243,803
Net position - end of year	<u>\$ 66,824,902</u>	<u>\$ 63,935,036</u>

Financial Analysis of the Governments Funds

Governmental funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$66,824,902. Approximately 58.39% of the total amount (\$39,018,456) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that is not available for new spending because it has already been committed 1) to pay for debt service (-\$119,947), 2) to pay for Building (\$17,412,887), 3) to pay for child nutrition (\$555,998) and 4) to pay for capital projects (\$9,957,508).

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$83,993,460 (excluding accumulated depreciation). This investment in capital assets includes land, building and improvements, furniture, fixtures and equipment, and vehicles.

Major capital asset events during the current fiscal year included the following: High school improvements, baseball field concession stand and roof and air conditioning project at fieldhouse.

Capital Assets at Year-end Excluding Accumulated Depreciation

	Governmental Activities	
	6/30/22	6/30/21
Land	\$ 1,193,875	\$ 1,193,875
Work in process	225,412	-
Buildings and improvements	72,476,432	70,650,263
Furniture, fixtures and equipment	7,275,099	7,275,099
Vehicles	2,822,642	2,822,642
Total	<u>\$ 83,993,460</u>	<u>\$ 81,941,879</u>

Additional information on the District's capital assets can be found in note 2 on page 26 of this report.

Debt Administration

At the end of the current fiscal year, the District had a total of general obligation bonds payable of \$9,960,000, which are backed by the future revenues of the Debt Service Fund and a lease payable of \$7,210,000, which are backed by future revenues from general obligation bond issues and building fund revenues.

Outstanding Debt at Year-end – General Obligation Bonds and Lease Payable

	Governmental Activities	
	6/30/22	6/30/21
General obligations	\$ 9,960,000	\$ 7,720,000
Leases payable	7,210,000	7,304,514
Total	<u>\$ 17,170,000</u>	<u>\$ 15,024,514</u>

Additional information on the District's long-term debt can be found in footnote 2 on pages 26–27 of this report.

Economic Factors and Next Year's Budgets and Rates

In the 2022-23 Budget, General fund revenues are budgeted to increase from the 2021-22 Budget. General property taxes as certified assessed valuations have increased over this year. The state sources of revenue make up 12% of General fund revenues. This revenue source is the most volatile and subject to decline if the State of Oklahoma is unable to supplement its income.

As a result of the potential impact in revenue, the District has made a concerted effort to limit appropriations to only those items truly necessary.

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. If you have questions about this report or need any additional information, contact Dr. Melissa Amon, Superintendent, 1401 North Little, Cushing, OK 74023, or call 918-225-3425.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**STATEMENT OF NET POSITION - REGULATORY BASIS
June 30, 2022**

	Governmental Activities
Assets:	
Cash and investments	\$ 31,156,469
Capital Assets:	
Land	1,193,875
Work in process	225,412
Depreciable buildings, property and equipment net of depreciation	<u>53,833,328</u>
Total assets	<u><u>86,409,084</u></u>
Liabilities:	
Warrants payable	2,414,182
Encumbrances	-
Leases payable currently	7,210,000
General obligation bonds payable currently	-
Long-term liabilities:	
Leases payable	-
General obligations bonds payable	<u>9,960,000</u>
Total liabilities	<u>19,584,182</u>
Net Position:	
Net Investment in capital assets	38,082,615
Restricted	27,806,446
Unrestricted	<u>935,841</u>
Total net position	<u><u>\$ 66,824,902</u></u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and Changes</u>
		<u>Services</u>	<u>Grants and</u>	<u>in Net Position</u>
			<u>Contributions</u>	<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
Instruction	\$ 10,265,195	\$ -	\$ 2,233,516	\$ (8,031,679)
Support services	7,717,715	-	1,283	(7,716,432)
Non-instructional services	19,873	-	-	(19,873)
Capital repairs	344,760	-	-	(344,760)
Other outlays	70,034	-	-	(70,034)
Food Service	932,916	10,485	1,125,549	203,118
Interest and fiscal agent charges	123,770	-	-	(123,770)
Unallocated depreciation*	873,073	-	-	(873,073)
Total school district	\$ 20,347,336	\$ 10,485	\$ 3,360,348	(16,976,503)
 General revenues:				
Property taxes, levied for general purposes				12,182,242
Property taxes, levied for debt service				3,882,633
State aid				2,817,126
County sources not restricted to specific programs				682,030
Earnings on investments				54,807
Rental activities				67,181
Miscellaneous				156,148
Insurance proceeds				-
Special items:				
Gain/(loss) on sale of assets				-
Lapsed Appropriations & Estoppel of warrants				24,202
Total general revenues and transfers				19,866,369
Change in net position				2,889,866
Net position - beginning of year				63,935,036
Net position - end of year				\$ 66,824,902

*- This amount does not include the depreciation that is included in the direct expenses of various programs.

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

BALANCE SHEET
GOVERNMENTAL FUNDS
REGULATORY BASIS
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Building</u>	<u>Capital Projects General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and investments	\$ 2,866,597	\$ 17,880,176	\$ 9,957,508	\$ (119,947)	\$ 572,135	\$ 31,156,469
Total assets	<u>\$ 2,866,597</u>	<u>\$ 17,880,176</u>	<u>\$ 9,957,508</u>	<u>\$ (119,947)</u>	<u>\$ 572,135</u>	<u>\$ 31,156,469</u>
Liabilities:						
Warrants payable	\$ 1,930,756	\$ 467,289	\$ -	\$ -	\$ 16,137	\$ 2,414,182
Encumbrances	-	-	-	-	-	-
Total liabilities	<u>1,930,756</u>	<u>467,289</u>	<u>-</u>	<u>-</u>	<u>16,137</u>	<u>2,414,182</u>
Fund balances:						
Restricted for:						
Debt service	-	-	-	(119,947)	-	(119,947)
CO-OP	-	-	-	-	-	-
Building	-	17,412,887	-	-	-	17,412,887
Child nutrition	-	-	-	-	555,998	555,998
Capital projects	-	-	9,957,508	-	-	9,957,508
Unassigned	<u>935,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>935,841</u>
Total fund balances	<u>935,841</u>	<u>17,412,887</u>	<u>9,957,508</u>	<u>(119,947)</u>	<u>555,998</u>	<u>28,742,287</u>
Total liabilities and fund balances	<u>\$ 2,866,597</u>	<u>\$ 17,880,176</u>	<u>\$ 9,957,508</u>	<u>\$ (119,947)</u>	<u>\$ 572,135</u>	<u>\$ 31,156,469</u>

The accompanying notes are an integral part of the basic financial statements.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION - REGULATORY BASIS
June 30, 2022**

Total Fund Balances - Total Governmental Funds	\$ 28,742,287
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These consist of:	
Land	1,193,875
Work in process	225,412
Depreciable buildings, property and equipment net of depreciation	<u>53,833,328</u>
	55,252,615
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(17,170,000)</u>
Net position of governmental activities	\$ <u><u>66,824,902</u></u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
REGULATORY BASIS
For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Building</u>	<u>Capital Projects General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Local sources	\$ 10,900,064	\$ 1,529,425	\$ 9,960,000	\$ 3,882,632	\$ 10,485	\$ 26,282,606
Intermediate sources	682,030	-	-	-	-	682,030
State sources	2,817,105	-	-	21	9,344	2,826,470
Federal sources	2,233,516	-	-	-	1,116,205	3,349,721
Other sources	28,891	-	-	598	2,684	32,173
Total revenues	<u>16,661,606</u>	<u>1,529,425</u>	<u>9,960,000</u>	<u>3,883,251</u>	<u>1,138,718</u>	<u>33,173,000</u>
Expenditures:						
Instruction	10,264,869	326	-	-	-	10,265,195
Support services	7,083,698	726,039	2,492	-	-	7,812,229
Non-instructional services	19,859	14	-	-	932,916	952,789
Capital outlay	2,057	2,394,284	-	-	-	2,396,341
Other outlays	67,350	-	-	-	2,684	70,034
Repayments	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	7,720,000	-	7,720,000
Interest & fiscal agent charges	-	-	-	123,770	-	123,770
Total expenditures	<u>17,437,833</u>	<u>3,120,663</u>	<u>2,492</u>	<u>7,843,770</u>	<u>935,600</u>	<u>29,340,358</u>
Excess of revenues over (under) expenditures	(776,227)	(1,591,238)	9,957,508	(3,960,519)	203,118	3,832,642
Adjustments to prior year encumbrances	<u>23,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>	<u>24,202</u>
Net changes in fund balance	(752,694)	(1,591,238)	9,957,508	(3,960,519)	203,787	3,856,844
Fund balance - beginning of year	<u>1,688,535</u>	<u>19,004,125</u>	<u>-</u>	<u>3,840,572</u>	<u>352,211</u>	<u>24,885,443</u>
Fund balance - end of year	<u>\$ 935,841</u>	<u>\$ 17,412,887</u>	<u>\$ 9,957,508</u>	<u>\$ (119,947)</u>	<u>\$ 555,998</u>	<u>\$ 28,742,287</u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 3,856,844
Amounts reported in governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets have not been reflected. This is the amount of capital outlays during the current period.	2,051,581
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(873,073)
Bond proceeds are reported as income in governmental funds, the receipt of bond proceeds increase long-term liabilities in the statement of net assets. This is the amount of bond proceeds received during the current period.	(9,960,000)
Repayment of long-term obligations is reported as an expenditure in governmental funds, the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments during the current period.	<u>7,814,514</u>
Change in net position of governmental activities	<u><u>\$ 2,889,866</u></u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUND
REGULATORY BASIS
June 30, 2022

School Activity Funds					
	Balance July 1, 2021	Additions	Deletions	Adjustments	Balance June 30, 2022
Assets:					
Cash:					
High school	\$ 193,412	\$ 477,372	\$ 353,273	\$ (99,857)	\$ 217,654
Middle school	110,879	93,977	76,936	4,661	132,581
Central office	70,434	76,149	67,564	(35)	78,984
Total Assets	\$ 374,725	\$ 647,498	\$ 497,773	\$ (95,231)	\$ 429,219
Liabilities:					
Due to student groups:					
High school:					
Administration	\$ 25,733	\$ 7,214	\$ 5,388	\$ 217	\$ 27,776
Art	42	-	-	-	42
Athletics	38,445	115,644	121,870	465	32,684
Band	8,032	41,108	32,767	(124)	16,249
FFA	20,276	45,864	40,944	(202)	24,994
FCCLA	2,235	2,433	2,021	-	2,647
Dance Team	639	23,171	22,515	(120)	1,175
Cheerleading	3,200	15,038	14,127	(40)	4,071
Spanish Club	664	609	610	-	663
Flowers	528	-	-	-	528
Media Center	440	757	510	-	687
Girls Basketball	2,477	4,777	3,270	-	3,984
All Sports	41,656	168,620	59,568	(100,303)	50,405
Drama	2,475	1,893	1,784	-	2,584
Student Council	5,896	8,885	5,155	-	9,626
Boys Basketball	3,491	21,225	24,436	270	550
Yearbook	19,231	7,130	5,328	-	21,033
Vocal Music	549	4,468	3,718	-	1,299
Academic Team	228	-	-	-	228
9th Cheerleaders	44	-	-	-	44
Math/Science/Physics	4,668	3,065	2,880	-	4,853
FCA	527	-	-	-	527
NHS/GT	2,366	3,399	2,416	(18)	3,331
Reese-MMR	104	-	-	-	104
Quarterback Club	681	-	-	-	681
Soccer	2,792	-	666	-	2,126
BPA	343	1,082	559	-	866
Key Club	2,497	-	-	-	2,497
Cross Country	3,151	988	2,742	-	1,397

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUND
REGULATORY BASIS
June 30, 2022

	School Activity Funds				
	Balance July 1, 2021	Additions	Deletions	Adjustments	Balance June 30, 2022
(Continued):					
Middle school:					
Administration	18,238	14,159	17,516	1,398	16,279
Tiny Tigers	6,647	7,255	8,452	909	6,359
FACS	581	1,544	1,257	-	868
Athletics	52,110	47,945	29,657	1,117	71,515
Student Council	18,079	3,086	1,964	1,000	20,201
Yearbook	8,701	3,167	3,434	100	8,534
Library	1,296	3,829	3,136	-	1,989
Art	49	141	185	-	5
Speech & Drama	3,943	6,574	4,482	(100)	5,935
Tech-Ed	-	-	-	-	-
Student Store	-	-	-	-	-
Communications	-	-	-	-	-
Chorus	1,236	6,279	6,852	235	898
Central office:					
Clearing	-	3,638	3,638	-	-
Cultural Organization	-	1,801	100	-	1,701
Demonstration Center	-	-	-	-	-
Office Fund	2,851	294	2,063	27	1,109
Deep Rock	-	-	-	-	-
Lower Elementary	13,045	19,042	10,472	-	21,615
Harrison	-	-	-	-	-
Upper Elementary	28,744	31,038	29,110	(18)	30,654
Pre-K	20,279	9,238	12,032	(24)	17,461
Banquet	-	-	-	-	-
Special Education	383	-	-	-	383
Pre-K Child Enrichment	479	8,572	9,051	-	-
Technology	4,654	2,526	1,098	(20)	6,062
Total Liabilities	\$ 374,725	\$ 647,498	\$ 497,773	\$ (95,231)	\$ 429,219

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Cushing School District Number I-67 (the "District") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education (Board) composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the Local Independent School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

These financial statements present only the activities of the District. The Cushing Public School Foundation is not included in the reporting entity since the District does not appoint any of the board members or exercise any oversight authority over the Foundation. The Foundation is an independently operated non-profit organization that was developed to assist teachers in improving the quality of education and to provide scholarships. The Foundation exists outside the operational boundaries of the school system. There are no component units (entities considered to be financially accountable to the District).

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The District prepares its financial statements in a presentation format that is, in substance, the format established by GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments*.

As to basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.
- Capital assets are recorded when acquired and depreciated over their useful lives.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

The Fund financial statements conform to the regulatory (statutory) basis of accounting, which is another comprehensive basis of accounting other than generally accepted accounting principles. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma.

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the regulatory basis of accounting.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net position presents the financial condition of the District activities at year-end. The statement of activities presents demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes, interest and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting – The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are two categories of funds: governmental and fiduciary.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Governmental Funds – are used to account for the District's general activities including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Governmental fund types use the Regulatory (Statutory) basis of accounting, which is primarily cash receipts and disbursements with certain modifications as required by the regulations of the Oklahoma State Department of Education. If the District utilized the basis of accounting recognized as generally accepted, the governmental funds would use the modified accrual basis of accounting based on the flow of current financial resources measurement focus recognizing revenues when susceptible to accrual (i.e., when they become measurable and available, normally considered available if collected within 60 days of the end of the current fiscal period). As a result, Ad valorem taxes on real and personal property associated with the current fiscal period and all other revenue items are recorded as revenues when collected rather than when "measurable" and "available." Entitlements, grants and shared revenues are recorded at the time of receipt. Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

The following are the District's major governmental funds:

General fund – is the main operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include local property taxes and federal and state funding. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt service on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

Capital Projects fund – consists of the District's Bond Fund and accounts for the proceeds of bond sales used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, acquisition of technical equipment and the acquisition of transportation equipment.

Debt Service fund – consists of the District's Sinking Fund and accounts for the accumulation of financial resources for servicing of general long-term debt (principal, interest and related costs). This is a budgeted fund. The primary revenue sources are local property taxes levied specifically for debt service.

Building Fund – is a special revenue fund which consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Other governmental funds of the District that are considered non-major funds include:

Special Revenue funds – account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue funds are composed of the District’s Building Fund, Child Nutrition Fund and CO-OP Fund. These are budgeted funds and any fund balances are considered as resources available for use.

Child Nutrition Fund – consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the operations of the school cafeteria.

CO-OP Fund – is a special revenue fund which is called the Oklahoma Technical Assistance Center. It accounts for revenue sources that are restricted to expenditures for specific purposes. These are budgeted funds and any fund balances are considered as resources available for use.

Fiduciary Funds – account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency fund – is custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. This is an unbudgeted fund. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operation of the District.

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures

1. Deposits and Investments

State statutes govern the District’s investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School District invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District’s financial instruments include cash and investments. The District’s estimates of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets and fund balance sheets. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

3. Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

5. Inventories

Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the District's financial statements. The costs of inventories are recorded as expenditures when encumbered and purchased rather than when consumed.

6. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, and vehicles, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

All reported capital assets are depreciated except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40 - 100
Furniture, Fixtures and Equipment	10 - 100
Vehicles	5 - 40

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

7. Compensated Absences

The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. None of the benefits are payable upon retirement or death. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and long-term lease obligations are reported as liabilities in the applicable statement of net position.

9. Net Position

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amount that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

9. Net position (Continued)

Assigned fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

10. Property Taxes and Other Local Revenues

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer. Property taxes are levied on November 1 and are due on receipt of the tax bill. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. Intermediate Revenues

Revenue from intermediate source is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the district and the state, and distributed to districts in amounts that differ in proportion to those which were collected within such systems.

12. State Revenues

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

13. Federal Revenues

Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass through from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

14. Non-Monetary Transactions

The District receives commodities from the U. S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards and they have been reflected in the basic financial statements as revenue and expense.

15. Resource Use Policy

It is in the School's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the School considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the School's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the School considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

2. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2022, the District held deposits of approximately \$31,156,469 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

A. Deposits and Investments (Continued)

- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The cash and investments held at June 30, 2022 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 21,089,823	\$ 21,089,823
CDs	14		10,066,646	10,066,646
Total investments			<u>\$ 31,156,469</u>	<u>\$ 31,156,469</u>

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 68% in Money Market funds (\$21,089,823) and 32% in CDs (\$10,066,646).

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

Governmental Activities:	Balance 6/30/21	Additions	Disposals	Balance 6/30/22
Non-depreciable assets:				
Land	\$ 1,193,875	\$ -	\$ -	\$ 1,193,875
Work in process	-	225,412	-	225,412
Total non-depreciable assets	<u>1,193,875</u>	<u>225,412</u>	<u>-</u>	<u>1,419,287</u>
Depreciable assets:				
Buildings and improvements	70,650,263	1,826,169	-	72,476,432
Furniture, fixtures and equipment	7,275,099	-	-	7,275,099
Vehicles	2,822,642	-	-	2,822,642
Total depreciable assets	<u>80,748,004</u>	<u>1,826,169</u>	<u>-</u>	<u>82,574,173</u>
Less accumulated depreciation:				
Buildings and improvements	(18,704,510)	(724,764)	-	(19,429,274)
Furniture, fixtures and equipment	(6,931,290)	(49,864)	-	(6,981,154)
Vehicles	(2,231,972)	(98,445)	-	(2,330,417)
Total accumulated depreciation	<u>(27,867,772)</u>	<u>(873,073)</u>	<u>-</u>	<u>(28,740,845)</u>
Net depreciable assets	<u>52,880,232</u>	<u>953,096</u>	<u>-</u>	<u>53,833,328</u>
Net governmental activities capital assets	<u>\$ 54,074,107</u>	<u>\$ 1,178,508</u>	<u>\$ -</u>	<u>\$ 55,252,615</u>

C. Long-term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The District issued building bonds in the amount of \$9,960,000 on June 1, 2022. Bond maturities begin June 1, 2024 with a payment of \$9,960,000 per year.

Debt service requirements for the 2022 building bonds are as follows:

Year Ended June 30,	General Obligation Bonds		Interest	Total Requirements
	Rate	Principal		
2023	2.80%	-	278,880	278,880
2024	2.80%	\$ 9,960,000	\$ 278,880	\$ 10,238,880
		<u>\$ 9,960,000</u>	<u>\$ 557,760</u>	<u>\$ 10,517,760</u>

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

C. Long-term Debt (Continued)

The District issued building bonds in the amount of \$7,470,000 on June 1, 2020. Bond maturities begin June 1, 2022 with a payment of \$7,470,000 per year. This bond was paid off in the current year.

The District issued transportation bonds in the amount of \$1,000,000 on June 1, 2017. Bond maturities begin June 1, 2019 with payments of \$250,000 per year. This bond was paid off in the current year.

D. Leases

As per Oklahoma Statutes 200, Section 430.1, the District executed a lease for construction, equipment and capital improvement of the new middle school building, a roofing project and a new track during the 2013-14 year. The lease is to be financed by the issue of building bonds on a yearly basis and paid annually.

As per Oklahoma Statutes 200, Section 430.1, the District executed a lease for construction of the baseball field bleachers. The lease is to be financed through the building fund on a yearly basis and paid in two annual installments. This lease was paid off in the current year.

Annual rental and interest payments to maturity are as follows:

Year Ended June 30,	Amount
2023	\$ 7,570,500
Total	7,570,500
Less Interest	(360,500)
Total	\$ 7,210,000

The above leases contain a clause that gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has recorded the liability for future lease payments in the general long-term debt account group for these leased assets.

Long-term debt consists of bonds payable and lease obligations. The following is a summary of the changes in general long-term debt transactions of the District for the fiscal year:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Bonds payable	\$ 7,720,000	\$ 9,960,000	\$ 7,720,000	\$ 9,960,000
Leases payable	7,304,514	-	94,514	7,210,000
Total	\$ 15,024,514	\$ 9,960,000	\$ 7,814,514	\$ 17,170,000

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. The District had the following insurance coverage during the year: commercial property - \$1,435,000,000; general liability - \$1,000,000; and educators' liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma.

In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of their taxable payroll for unemployment insurance. The funds for each district are kept separate and districts can contribute more than 1.6% of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in their account, they would be liable for the excess.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

C. Non-Monetary Transactions

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was \$88,995.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Plan

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma District, OK 73152 or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The District's total contributions for 2022, 2021 and 2020 were \$889,461, \$837,546 and \$822,804, respectively.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

E. Surety Bonds

The Superintendent is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$100,000 for the term July 1, 2021 to July 1, 2022.

The Treasurer is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$100,000 for the term July 1, 2021 to July 1, 2022.

The Lunch Fund Clerks are each bonded by Ohio Casualty Insurance Company. The bond number is 5080586, it covers each lunch fund clerk for the penal sum of \$5,000, and it is for the term July 1, 2012 to July 1, 2022.

The encumbrance clerk is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$5,000 for the term July 1, 2021 to July 1, 2022.

The Activity Fund Clerks are each bonded by Ohio Casualty Insurance Company. The bond number is 5080586, it covers each activity fund clerk for the penal sum of \$5,000, and it is for the term July 1, 2021 to July 1, 2022.

The minutes clerk is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$5,000 for the term July 1, 2021 to July 1, 2022.

The HR/payroll manager is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$10,000 for the term July 1, 2021 to July 1, 2022.

4. RELATED PARTY

The Cushing Educational Facilities Authority was created by Trust Indenture dated September 13, 2013, under the provisions of Title 60, Oklahoma Statutes 2011, Sections 176 to 180.3, inclusive. The Trust was created generally to promote the development of educational, recreational and cultural activities within and near the territorial limits of the City and to thereby provide educational, recreational and cultural facilities which will benefit and strengthen culture and the economy of the City of Cushing, Oklahoma. The Authority is exempt from State and Federal Income taxes. The City of Cushing, as beneficiary, has elected to preserve the legal structure of this Authority for a potential future use. The School will be liable to pay the following back through bond issues.

In 2013, the Authority issued 2013 General Obligation Bonds in the amount of \$39,730,000 for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites.

In 2022, the Authority issued 2022 General Obligation Bonds in the amount of \$69,700,000 for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that there is a possibility that the Cushing School Building Fund may be required to re-pay Stroud Schools Building Fund for excess property tax revenues received due to Lincoln County incorrectly identifying the school districts in the property tax valuations. No estimated amount of liability has been added to the financial statements at this time. Also, management is currently evaluating the impact of the COVID-19 pandemic on the District and has concluded that while it is reasonably possible that the virus could have a negative effect on the District's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

SUPPLEMENTAL INFORMATION
June 30, 2022

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 11,002,983	\$ 11,002,983	\$ 10,900,064	\$ (102,919)
Intermediate sources	721,557	721,557	682,030	(39,527)
State sources	2,756,667	2,756,667	2,817,105	60,438
Federal sources	1,902,815	1,902,815	2,233,516	330,701
Other sources	-	-	28,891	28,891
Total revenues	<u>16,384,022</u>	<u>16,384,022</u>	<u>16,661,606</u>	<u>277,584</u>
Expenditures:				
Instruction	10,899,593	10,899,593	10,264,869	634,724
Support services	7,083,698	7,083,698	7,083,698	-
Non-instructional services	19,859	19,859	19,859	-
Capital outlay	2,057	2,057	2,057	-
Other outlays	67,350	67,350	67,350	-
Principal retirement	-	-	-	-
Interest & fiscal agent charges	-	-	-	-
Repayments	-	-	-	-
Total expenditures	<u>18,072,557</u>	<u>18,072,557</u>	<u>17,437,833</u>	<u>634,724</u>
Net change in fund balance	<u>(1,688,535)</u>	<u>(1,688,535)</u>	<u>(776,227)</u>	<u>912,308</u>
Beginning fund balance	1,688,535	1,688,535	1,688,535	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>23,533</u>	<u>23,533</u>
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,841</u>	<u>\$ 935,841</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

SPECIAL REVENUE FUNDS - BUILDING FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 1,492,804	\$ 1,492,804	\$ 1,529,425	\$ 36,621
Intermediate sources	-	-	-	-
State sources	10	10	-	(10)
Federal sources	-	-	-	-
Total revenues	<u>1,492,814</u>	<u>1,492,814</u>	<u>1,529,425</u>	<u>36,611</u>
Expenditures:				
Instruction	326	326	326	-
Support services	726,039	726,039	726,039	-
Non-instructional services	14	14	14	-
Capital outlay	17,376,276	17,376,276	2,394,284	14,981,992
Other outlays	-	-	-	-
Repayments	-	-	-	-
Total expenditures	<u>18,102,655</u>	<u>18,102,655</u>	<u>3,120,663</u>	<u>14,981,992</u>
Net change in fund balance	(16,609,841)	(16,609,841)	(1,591,238)	15,018,603
Beginning fund balance	19,004,125	19,004,125	19,004,125	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balances	<u>\$ 2,394,284</u>	<u>\$ 2,394,284</u>	<u>\$ 17,412,887</u>	<u>\$ 15,018,603</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

SPECIAL REVENUE FUNDS - CHILD NUTRITION FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 21,286	\$ 21,286	\$ 10,485	\$ (10,801)
Intermediate sources	-	-	-	-
State sources	7,847	7,847	9,344	1,497
Federal sources	904,064	904,064	1,116,205	212,141
Other sources	-	-	2,684	2,684
	<u>933,197</u>	<u>933,197</u>	<u>1,138,718</u>	<u>205,521</u>
Total revenues				
	<u>933,197</u>	<u>933,197</u>	<u>1,138,718</u>	<u>205,521</u>
Expenditures:				
Support services	-	-	-	-
Non-instructional services	1,282,724	1,282,724	932,916	349,808
Capital outlay	-	-	-	-
Other outlays	2,684	2,684	2,684	-
Repayments	-	-	-	-
	<u>1,285,408</u>	<u>1,285,408</u>	<u>935,600</u>	<u>349,808</u>
Total expenditures				
	<u>1,285,408</u>	<u>1,285,408</u>	<u>935,600</u>	<u>349,808</u>
Net change in fund balance	(352,211)	(352,211)	203,118	555,329
Beginning fund balance	352,211	352,211	352,211	-
Prior year encumbrances appropriated	-	-	669	669
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,998</u>	<u>\$ 555,998</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 4,003,198	\$ 4,003,198	\$ 3,882,632	\$ (120,566)
Intermediate sources	-	-	-	-
State sources	-	-	21	21
Federal sources	-	-	-	-
Other sources	-	-	598	598
	<u>4,003,198</u>	<u>4,003,198</u>	<u>3,883,251</u>	<u>(119,947)</u>
Total revenues	<u>4,003,198</u>	<u>4,003,198</u>	<u>3,883,251</u>	<u>(119,947)</u>
Expenditures:				
Debt service:				
Principal retirement	7,720,000	7,720,000	7,720,000	-
Interest & fiscal agent charges	123,770	123,770	123,770	-
	<u>7,843,770</u>	<u>7,843,770</u>	<u>7,843,770</u>	<u>-</u>
Total expenditures	<u>7,843,770</u>	<u>7,843,770</u>	<u>7,843,770</u>	<u>-</u>
Net change in fund balance	<u>(3,840,572)</u>	<u>(3,840,572)</u>	<u>(3,960,519)</u>	<u>(119,947)</u>
Beginning fund balance	<u>3,840,572</u>	<u>3,840,572</u>	<u>3,840,572</u>	<u>-</u>
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,947)</u>	<u>\$ (119,947)</u>

The accompanying notes are an integral part of this statement.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**NOTES TO BUDGETARY INFORMATION
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

BUDGETARY INFORMATION

The District is required by state law to prepare an annual budget. A preliminary budget is submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. Since the voters have permanently approved the additional levies, the preliminary budget becomes the legal budget. An annual Estimate of Needs is then approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board. Supplemental appropriations can be made during the year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all Governmental Funds of the District. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
REGULATORY BASIS
June 30, 2022**

	Special Revenue		Total
	CO-OP Fund	Child Nutrition Fund	Non-Major Governmental Funds
Assets:			
Cash and investments	\$ -	\$ 572,135	\$ 572,135
Total assets	-	572,135	572,135
 Liabilities:			
Warrants payable	-	16,137	16,137
Encumbrances	-	-	-
Total liabilities	-	16,137	16,137
 Fund balances:			
Restricted	-	555,998	555,998
Total fund balances	-	555,998	555,998
Total liabilities and fund balances	\$ -	\$ 572,135	\$ 572,135

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
REGULATORY BASIS
For the Fiscal Year Ended June 30, 2022

	<u>Special Revenue</u>		Total Non-Major Governmental Funds
	<u>CO-OP Fund</u>	<u>Child Nutrition Fund</u>	
Revenues:			
Local sources	\$ -	\$ 10,485	\$ 10,485
Intermediate sources	-	-	-
State sources	-	9,344	9,344
Federal sources	-	1,116,205	1,116,205
Other sources	-	2,684	2,684
	<u>-</u>	<u>1,138,718</u>	<u>1,138,718</u>
Total revenues	<u>-</u>	<u>1,138,718</u>	<u>1,138,718</u>
Expenditures:			
Instruction	-	-	-
Support services	-	-	-
Non-instructional services	-	932,916	932,916
Capital outlay	-	-	-
Other outlays	-	2,684	2,684
Repayments	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest & fiscal agent charges	-	-	-
	<u>-</u>	<u>935,600</u>	<u>935,600</u>
Total expenditures	<u>-</u>	<u>935,600</u>	<u>935,600</u>
Excess of revenues over (under) expenditures	-	203,118	203,118
Adjustments to prior year encumbrances	<u>-</u>	<u>669</u>	<u>669</u>
Net changes in fund balance	-	203,787	203,787
Fund balance - begin of year	<u>-</u>	<u>352,211</u>	<u>352,211</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 555,998</u>	<u>\$ 555,998</u>

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing	Pass-through Grantor's Project Number	Grant Number	Approved Amount	Balance July 1, 2021	Receipts	Expenditures	Balance June 30, 2022
<u>U.S. Department of Education:</u>								
<u>Direct Programs:</u>								
Title VII - Indian Education	84.060	561	S060A210008	\$ 86,694	\$ -	\$ 86,694	\$ 86,694	\$ -
Sub-Total				<u>86,694</u>	<u>-</u>	<u>86,694</u>	<u>86,694</u>	<u>-</u>
<u>Passed through State Department of Education:</u>								
Title I	84.010	511	S010A210036	355,923	-	355,923	355,923	-
Title I	84.010	515	S010A210036	77,410	-	69,174	69,289	(115)
Title I 20-21	84.010	515	S010A200036	55,420	(7,218)	7,218	-	-
Title II, Part A	84.367	541	S367A210035	79,481	-	79,481	79,481	-
Title IV, Part A	84.424	552	S424A210037	23,144	-	23,144	23,144	-
Title VI	84.358	587	S358B210035	57,779	-	30,072	30,072	-
Sub-Total				<u>649,157</u>	<u>(7,218)</u>	<u>565,012</u>	<u>557,909</u>	<u>(115)</u>
<u>ESSER Cluster:</u>								
Education Stabilization Fund 20-21	84.425	788	S425D200024	266,466	(2,189)	2,189	-	-
Education Stabilization Fund	84.425D	788	S425D210024	12,010	-	12,010	12,010	-
ESSER III	84.425U	795	S425D220024	2,631,573	-	1,104,537	1,111,145	(6,608)
ESSER III Homeless II	84.425W	797	S425D220024	7,103	-	-	-	-
ESSER II	84.425D	793	S425D210024	405,490	-	401,994	402,099	(105)
ESSER II	84.425U	725	S425D210024	1,749	-	1,749	1,749	-
ESSER II 20-21	84.425D	789	S425D200024	1,170,508	(18,983)	18,983	-	-
Sub-Total				<u>4,494,899</u>	<u>(21,172)</u>	<u>1,541,462</u>	<u>1,527,003</u>	<u>(6,713)</u>
<u>Passed through State Department of Career and Technology Education:</u>								
Carl Perkins	84.048	421	V048A210036	20,343	-	20,343	20,343	-
Sub-Total				<u>20,343</u>	<u>-</u>	<u>20,343</u>	<u>20,343</u>	<u>-</u>

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Pass-through Grantor's Project Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Balance July 1, 2021</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2022</u>
IDEA Cluster:								
IDEA-B, Special Ed Prof Dev	84.027	613		600	-	600	600	-
IDEA-B, ARP Flowthrough	84.027	628		85,468	-	-	-	-
IDEA-B, SEA Discretionary	84.027	615		4,576	-	-	-	-
IDEA-B, ARP Preschool	84.173	643		4,849	-	-	-	-
IDEA-B, COVID Assist 20-21	84.027	617		19,648	(19,405)	19,405	-	-
IDEA Cluster Sub-Total				<u>115,141</u>	<u>(19,405)</u>	<u>20,005</u>	<u>600</u>	<u>-</u>
<u>U.S. Department of Agriculture:</u>								
<u>Passed through State Department of Education:</u>								
Child Nutrition Programs:								
Supply Chain	10.555	759		36,966	-	36,966	-	36,966
P-EBT	10.649	760		614	-	614	-	614
Distance Learn & Telemed	10.855	770		440,771	-	-	115,200	(115,200)
NSPL Cares Emergency Fund	10.555	762		16,757	-	16,757	-	16,757
National School Lunch Program	10.555	763		686,813	-	681,834	686,813	(4,979)
School Breakfast Program	10.553	764		296,505	-	296,505	12,241	284,264
Summer Food Service Program	10.559	766		83,529	-	83,529	413	83,116
Child Nutrition Cluster sub-total				<u>1,561,955</u>	<u>-</u>	<u>1,116,205</u>	<u>814,667</u>	<u>301,538</u>
Passed through Oklahoma Department of Agriculture								
Human Services (Note C)	10.565			88,995	-	88,995	88,995	-
Sub-Total				<u>1,650,950</u>	<u>-</u>	<u>1,205,200</u>	<u>903,662</u>	<u>301,538</u>
Total Expenditures of Federal Awards				<u>\$ 7,017,184</u>	<u>\$ (47,795)</u>	<u>\$ 3,438,716</u>	<u>\$ 3,096,211</u>	<u>\$ 294,710</u>

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

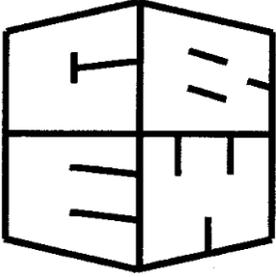
Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.

Note B - Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except for nonmonetary assistance noted in Note C. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note C - Food Distribution - Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
June 30, 2022



CBEW Professional Group, LLP

Certified Public Accountants

P.O. Box 790

Cushing, OK 74023

918-225-4216 FAX 918-225-4315

Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

August 25, 2022

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying basic financial statements —regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Cushing, Payne County, Oklahoma (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated August 25, 2022, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

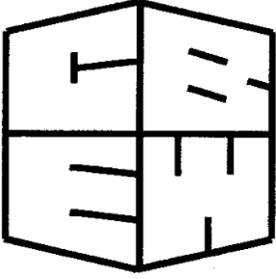
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

August 25, 2022

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cushing School District Number I-67, Cushing, Payne County, Oklahoma (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cushing School District Number I-67, Cushing, Payne County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cushing School District Number I-67, Cushing, Payne County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cushing School District Number I-67, Cushing, Payne County, Oklahoma's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cushing School District Number I-67, Cushing, Payne County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cushing School District Number I-67, Cushing, Payne County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

CUSHING SCHOOLS DISTRICT NO. I-67
Payne County, Oklahoma

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued: Adverse opinion on the basic financial statements—regulatory basis in conformity with generally accepted accounting principles and an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Type of auditors report issued on compliance for major programs: Unmodified in conformity with the regulatory basis of accounting.

Internal Control Over Major Programs:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section .516(a)? Yes No

Dollar threshold used to distinguish Type A and Type B programs \$750,000

Auditee Qualified as low-risk auditee? Yes No

Identification of Major Programs:

CFDA#

84.425 (D) (U) (W) – Education Stabilization Fund, ESSER II and ESSER III Formula Funds

FINDINGS - FINANCIAL STATEMENT AUDIT

1. None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

**CUSHING SCHOOLS DISTRICT NO. I-67
Payne County, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022**

None.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

OTHER INFORMATION
June 30, 2022

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT

JULY 1, 2021 TO JUNE 30, 2022

State of Oklahoma)

County of Payne)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Cushing School District for the audit year 2021-2022.

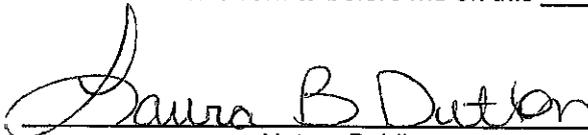
CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

Auditing Firm

By 

Authorized Agent

Subscribed and sworn to before me on this 25 day of August, 2022.


Notary Public

My commission expires on:

22 day of Sept, 2022 # 16009115





OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2021-2022

District Name Cushing Public Schools

District Number 1067

County Name Payne County

County Code 60

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on October 11, 2022.

The audit was presented by CBEW Professional Group, LLP [Signature]
(Independent Auditor) (Independent Auditor's Signature)

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the State Board of Education and the State Auditor and Inspector within 30 days from its presentation, as stated in 70 O.S. § 22-108:

"The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

Signature of the Board of Education:

[Signature]
Superintendent

[Signature]
Board of Education Vice President

[Signature]
Board of Education President

[Signature]
Board of Education Member



Subscribed and sworn before me on 11th of October

My Commission expires 3/10/24

[Signature]
(Notary Public)